

WORKFORCE OBSERVATIONS FOR SOUTHEAST WISCONSIN COUNTIES

SEPTEMBER 2001



State of Wisconsin
Department of Workforce Development

A note to subscribers of the Southeast Labor Market Review:

The new *Workforce Observations for Southeast Wisconsin Counties* supercedes the *Southeast Wisconsin Workforce Development Area Labor Market Review* as a current and timely labor market information source for the Kenosha and Racine MSA/Counties and Walworth County. The data reported in the new version will be for the month previous to the publication date, e.g., this September 2001 issue will report local area data for the month of August 2001. In the previous *Labor Market Review* format, the reported data lagged two calendar months. We are confident that this will serve as a more timely compendium of local labor market and other economic information.

Workforce Observations condenses from four pages to a two-page format. Volume and issue number will no longer be contained as the review will be labeled only by month and year. The most current labor force and non-farm wage and salary employment figures will continue to be displayed comparing month-ago and year-ago figures. Analysis of the current labor market will be also be offered along with the data. This will be mailed roughly the last week of every month within days of the official release of the labor force data.

We encourage the reference of our website at <http://www.dwd.state.wi.us/lmi/> for more historic data or information from other locales in Wisconsin. We also recommend that users become familiar with the U.S. Department of Labor's, Bureau of Labor Statistics website at <http://146.142.4.22/>.

August Employment Scene

The seasonally adjusted unemployment rate for the **Kenosha MSA** rose two-tenths of a percentage point to 4.6 percent from July to August. The rate is up from 3.7 percent in August 2000. The **Racine MSA** seasonally adjusted rate registered 6.9 percent, up four-tenths of a point from July and is higher than the 4.8 percent rate in August 2000. The **Walworth County** rate is not seasonally adjusted and will be presented further into this publication. It is common for the seasonally adjusted rates to decrease from July to August but both MSAs have risen amidst the year 2001 trend of higher unemployment rates. The most recent year before 2001 that the Kenosha MSA rate increased in August was in 1991; 1999 for the Racine MSA.

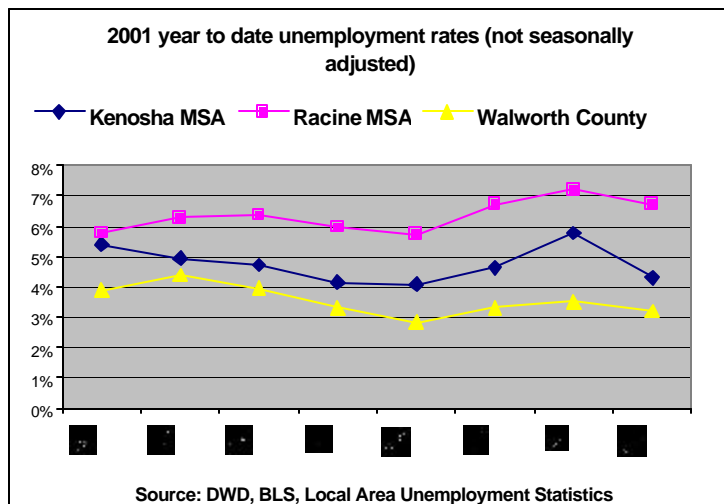
Typically, the month of August brings lower, not seasonally unemployment rates from July. July tends to have the highest summer unemployment rates for the Southeast WDA counties, especially in manufacturing intensive areas with transportation equipment production (as the Kenosha MSA is), because the month is used for plant maintenance, machine re-tooling, etc. Production shutdowns can cause a ripple effect into other de-

pendent and interrelated companies' production efforts as well. Wisconsin, in the last few years, experienced minimal nonfarm job growth between July and August, but 2001 has shown a decline in the number of new jobs.

August shows a dramatic change in the composition in the labor force, not just in the estimates, but in the qualitative aspects of those who joined and departed from the labor force. August labor force loses a great deal from its ranks when seasonal industries wind down and the part-year residents and students who filled this labor depart for school and other job opportunities. August's not seasonally adjusted unemployment rate for **Walworth County** decreased 0.3 of a percentage point over the month to 3.2 percent; the lowest rate of the three-county Southeast WDA. Walworth's rate is 0.8 of a percentage point higher than last year's August figure. To put this figure into a historical context, the average unemployment rate between 1990 and 2000 for Walworth County in August is 2.5 percent. One will notice that the number of unemployed decreased without a corresponding increase in the number of employed. This indicates the voluntary detachment of the summer laborers and may be a signal that some job seekers are leaving job searches due to a perception of a lack of opportunities and, thus, leaving the labor force altogether.

Walworth County's employment by industry data show a net loss of 310 jobs over the month. Better news for Walworth is that manufacturing employment increased one percent over the month led by a 125 job jump in nondurable goods production. Transportation, communication and public utilities along with wholesale trade, which are closely tied to manufacturing, held steady since July as well. Over the year figures show an incredible 23 percent rise in finance, insurance and real estate (FIRE) employment, despite the 70 fewer workers over the month. Most of the other Walworth industries have shown a loss over the year with a few exceptions in retail trade, government sectors. Services, which has been the model of industry growth shows a gain over the year and an expected monthly decline as the summer winds down paring away the summer help, particularly in health services.

The **Kenosha MSA** not seasonally adjusted unemployment rate declined greatly, 1.5 percentage points. It is 0.9 percentage point higher than August 2000. Like most counties in the state,



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it lost total labor force over the month with fewer employed and unemployed. Over the month and year figures show a faster rise in unemployed than employed, but it should be noted again that a great deal of the monthly employed loss chose to leave the labor force for school, etc. The industry data show 240 fewer jobs than in July and almost 600 fewer than August 2000. Manufacturing lost 200 jobs over the month and lost 1,700 over the year centered mainly in durable goods production. Most industries, save FIRE, wholesale trade and the manufacturing sectors, gained employment over the year.

The not seasonally adjusted unemployment rate for the **Racine MSA** declined a half percent point to 6.7 percent over the month. This is up two percent points from a year ago. Most of this rate was probably anchored in Racine City's 11.5 percent unemployment rate which is 3.7 percent points higher than a

year ago. The typical August rate of the Racine MSA, given the 1990-2000 timeframe is 4.9 percent. The number of employed in the MSA decreased at over twice the rate of the unemployed decline, again, showing large numbers leaving the labor force entirely.

Industry data show about 200 net fewer jobs since July. Manufacturing is down 350 jobs over the month as been the trend in 2001 and is down almost 900 since last August, this despite robust growth (5.6 percent) in nondurable goods production. Construction has been healthy, up almost 2 percent from a year ago as has wholesale trade, up 5.5 percent. Transportation employment slid for another month but is expected to pick up in September once schools need bus drivers again. Services showed gains over the month and year despite the fear that business services employment such as temporary help agencies would be hiring fewer workers for manufacturing companies.

August 2001	Wisconsin	Kenosha County/MSA	Racine County/MSA	Walworth County	Southeast WDA
Civilian Labor Force*	3,079,134	82,198	96,726	55,338	234,262
Persons Employed	2,957,882	78,668	90,227	53,568	222,463
Persons Unemployed	121,252	3,530	6,499	1,770	11,799
Unemployment Rate	3.9%	4.3%	6.7%	3.2%	5.0%
Total jobs of all non-farm industries**	2,850,766	54,509	83,650	42,662	180,821
Goods Producing Jobs	736,229	13,020	27,043	12,144	52,207
Service Producing Jobs	2,114,537	41,489	56,607	30,518	128,614
Construction & Mining	140,278	2,416	4,174	2,386	8,976
All Manufacturing	595,951	10,604	22,869	9,758	43,231
Transportation, Communications & Public Utilities	134,437	2,121	2,271	1,476	5,868
Wholesale Trade	139,844	2,808	3,538	1,543	7,889
Retail Trade	506,839	11,204	13,855	8,488	33,547
Finance, Insurance, and Real Estate	153,753	1,547	2,294	1,446	5,287
Services	799,610	15,582	24,443	11,575	51,600
All Government	380,054	8,227	10,206	5,990	24,423
Change from July 2001					
Civilian Labor Force*	-48,380	-2,540	-1,760	-1,130	-5,420
Persons Employed	-31,630	-1,170	-1,150	-920	-3,240
Persons Unemployed	-16,750	-1,360	-610	-210	-2,180
Unemployment Rate	-0.5%	-1.5%	-0.5%	-0.3%	-0.8%
Total jobs of all non-farm industries**	-3,150	-240	-190	-310	-740
Goods Producing Jobs	-2,390	-170	-280	70	-370
Service Producing Jobs	-770	-70	90	-380	-370
Construction & Mining	-630	40	70	-20	80
All Manufacturing	-1,760	-200	-350	100	-450
Transportation, Communications & Public Utilities	630	60	-30	30	70
Wholesale Trade	460	40	-30	0	10
Retail Trade	2,630	-80	170	-100	-20
Finance, Insurance, and Real Estate	-390	0	0	-130	-130
Services	430	120	60	-200	-30
All Government	-4,520	-190	-90	20	-260
Change from August 2000					
Civilian Labor Force*	97,620	1,140	3,960	1,930	7,030
Persons Employed	76,070	370	1,780	1,460	3,620
Persons Unemployed	21,550	760	2,180	470	3,410
Unemployment Rate	0.6%	0.9%	2.0%	0.8%	1.3%
Total jobs of all non-farm industries**	-6,530	-580	350	420	190
Goods Producing Jobs	-30,210	-1,700	-800	-260	-2,760
Service Producing Jobs	23,680	1,120	1,150	680	2,950
Construction & Mining	-910	0	90	10	90
All Manufacturing	-29,300	-1,700	-880	-270	-2,850
Transportation, Communications & Public Utilities	1,590	160	60	0	220
Wholesale Trade	-1,520	-10	190	-30	150
Retail Trade	2,140	20	-220	260	60
Finance, Insurance, and Real Estate	3,620	-30	-40	120	50

Questions and comments regarding this publication are welcome. Direct to: **Eric Grosso, State Labor Market Economist**

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